

# JANUARY 2017 ECONOMIC BRIEFING

A summary of the Indianapolis regional economy



## Indiana Unemployment Rate Marks Lowest Point Since 2001, Again

Indiana's unemployment rate decreased by two-tenths of a percent to 4.0 percent in December, which marks its lowest point since 2001. Indiana's total labor force stands at over 3.3 million and the state's 64.3 percent labor force participation rate stands two percent above the national rate. "Indiana has experienced workforce growth in nearly all measurable areas during 2016; however, we still have work to do to reach our workforce potential as a state" said Steven J. Braun, Commissioner of the Indiana Department of Workforce Development (DWD).

Indianapolis and Marion County's unemployment rates remain consistently lower than the rates of December 2015.

## Workforce

December 2016 Unemployment Rates			
	Dec. '16	Nov. '16	Dec. '15
Marion County, IN	3.9	4.0	4.5
Indianapolis-MSA	3.6	3.6	4.1
State of Indiana (seasonally adj.)	4.0	4.2	4.6
U.S. (seasonally adj.)	4.7	4.6	5.0

Indianapolis Regional Unemployment Rate Rankings by County <i>Ranking in State (highest to lowest rate out of 92 counties)</i>		
County	Unemployment Rate Dec. '16	Rank
Madison	4.5%	21
Marion	3.9%	51
Morgan	3.7%	60
Shelby	3.5%	67
Hancock	3.3%	76
Johnson	3.2%	84
Hendricks	3.1%	87
Boone	3.0%	89
Hamilton	2.9%	91

Labor Force Estimates, December 2016			
	Labor Force	Employed	Unemployed
U.S.	158,968,000	151,798,000	7,170,000
Indiana	3,295,293	3,163,852	131,441
Marion County	483,701	464,738	18,963

Source: Indiana Department of Workforce Development

## Employment by Industry

Indianapolis MSA Employment by Industry (1,000s)				
	Dec. '16 (p)	Nov. '16	Change from Previous Month	Change from Dec. '15
Construction	48	48	0	3
Manufacturing	92	91	1	2
Trade, Transportation and Utilities	228	227	1	1
Wholesale Trade	45	46	-1	-1
Retail Trade	115	114	1	3
Transportation and Utilities	68	67	1	0
Information	16	16	0	0
Financial Activities	68	68	0	5
Professional and Business Services	165	167	-2	0
Education and Health Services	154	153	1	4
Leisure and Hospitality	107	109	-2	3
Government	135	134	1	3

(p) = preliminary

Source: Bureau of Labor Statistics

## Recent News

### Tech Company Secures \$2 Million in Funding

Carmel-based tech company Lumavate LLC has closed on a \$2 million round of seed funding. The company says it will use the funding to boost its sales and marketing and product development efforts in the Internet of Things space, government leaders, private sector and academic experts, and other key local stakeholders.

[Read more](#)

### Levementum Bringing Tech Jobs to Indy

An Arizona-based customer relationship management and business consulting firm is expanding in Indiana with plans to add up to 175 jobs by 2021. Levementum says it will move into new space at The Union 525 in downtown Indianapolis. Levementum says it is currently hiring consultants, developers and strategic account executives.

[Read more](#)

[Read more recent announcements on our website at IndyChamber.com](#)

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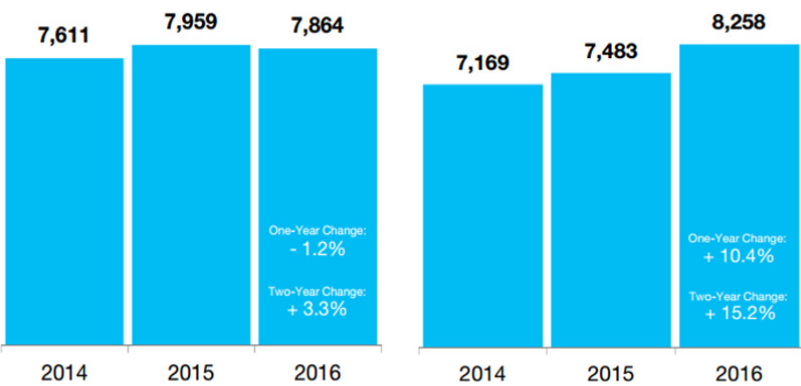


## Residential Real Estate

The 2016 housing market ended on a high note with an active December that offered the same monthly housing market highlights. For the fifth straight month we have seen an increase in Closed Sales across the region, and with buyer demand remaining high, we hope that will increase inventory in 2017.

Indianapolis Regional Real Estate Statistics			
	Dec. '16	Dec. '15	% Change
New Listings	1,884	1,975	- 4.6%
Closed Sales	2,765	2,654	+ 4.2%
Median Sales Price	\$153,000	\$144,000	+ 6.3%
Average Sales Price	\$194,462	\$183,468	+ 6.0%

### Past Three Month Average for Indianapolis Region



### New Listings

### Closed Sales

Source: MIBOR [www.mibor.com](http://www.mibor.com)

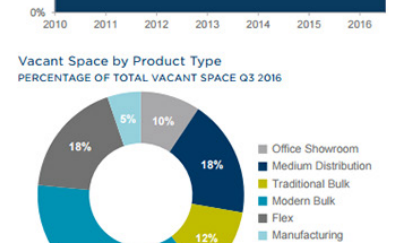
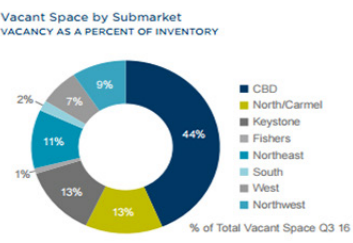
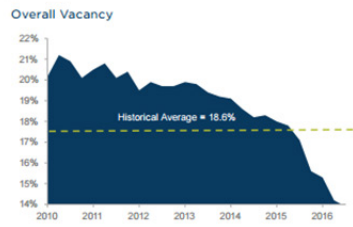
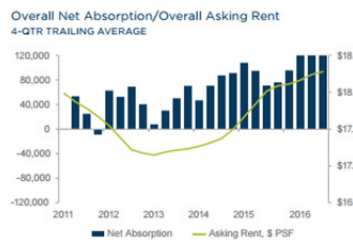
## Commercial Real Estate

INDIANAPOLIS OFFICE			
Economic Indicators			
	Q3 15	Q3 16	12-Month Forecast
Indianapolis MSA Employment	1,030.1K	1,038.9K	▲
Indianapolis MSA Unemployment	4.2%	4.0%	▲
U.S. Unemployment	5.2%	4.9%	▲

INDIANAPOLIS INDUSTRIAL			
Economic Indicators			
	Q3 15	Q3 16	12-Month Forecast
Indianapolis MSA Employment	1,030.1K	1,038.9K	▲
Indianapolis MSA Unemployment	4.2%	4.0%	▲
U.S. Unemployment	5.2%	4.9%	▲

Market Indicators (Overall, All Classes)			
	Q3 15	Q3 16	12-Month Forecast
Vacancy	17.1%	13.9%	▲
Net Absorption (SF)	107,941	161,927	▲
Under Construction (SF)	123,036	561,116	▲
Average Asking Rent*	\$18.10	\$18.32	▲

Market Indicators (Overall, All Property Types)			
	Q3 15	Q3 16	12-Month Forecast
Overall Vacancy	5.9%	3.6%	▲
Net Absorption (SF)	1.57M	3.4M	▲
Under Construction (SF)	2.77M	6.1M	▲
Average Asking Rent*	\$3.47	\$3.55	▲



Source: Cushman & Wakefield

## IndyGo Fixed Route Ridership

IndyGo ridership is down 4.9% YTD over 2015 and 9.7% for the month of December. This is a trend many agencies in the US and Canada have been experiencing. IndyGo continues to monitor route performance regularly.

IndyGo Fixed Route Ridership		
Total Passengers (YTD)		
2015	2016	% Change
9,666,605	9,193,004	-4.9%
Total Passengers Current Month		
December '15	December '16	% Change
778,705	703,154	-9.7%

Source: IndyGo [www.indygo.net](http://www.indygo.net)

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## Indianapolis Region Cost of Living

The Indianapolis Region consistently ranks as one of the most affordable places to live and do business in the U.S. According to the National Association of Realtors, the median price of an existing single-family home in the Indianapolis MSA in 3rd Q. 2016 was \$164,100. The Midwest average was \$191,200 and the national average was \$240,900. The following metro areas were selected because they are peer cities to Indianapolis.

Cost of Living Index: 2016 Annual Average (U.S. Average = 100)

Metro Area	Composite Index	Grocery Items	Housing	Utilities	Transportation	Health Care	Miscellaneous Goods and Services
Seattle	145.1	125.3	179.7	122.9	138.7	127.7	135.6
Chicago	118.5	108.5	144.8	94.9	125.7	102.7	108.2
Baltimore	115.6	113.2	143.6	104.8	103.7	89.8	103.9
Denver	110.4	106.3	131.9	92.6	104.2	106.8	102.4
Minneapolis	105.6	106.0	107.9	95.8	101.0	105.7	107.8
Dallas	100.4	108.5	88.0	98.7	101.5	106.3	106.6
Cleveland	98.7	113.9	87.8	91.2	106.3	99.7	101.4
Atlanta	98.7	103.8	88.5	103.1	101.7	107.9	101.6
Phoenix	97.0	94.8	98.3	94.7	100.9	96.6	96.5
Austin	96.7	86.9	94.8	102.9	98.3	102.7	99.1
Nashville	95.5	95.8	86.9	89.9	101.5	83.1	103.4
Detroit	94.9	91.3	87.9	108.2	104.3	94.6	95.5
Charlotte	94.8	94.0	85.1	91.9	96.8	103.6	101.9
Raleigh	94.4	113.4	69.3	96.2	91.5	103.9	106.0
Pittsburgh	94.0	97.1	93.0	102.1	106.3	95.1	87.7
<b>Indianapolis</b>	<b>91.8</b>	<b>94.0</b>	<b>82.0</b>	<b>89.4</b>	<b>92.7</b>	<b>98.4</b>	<b>98.4</b>

Source: Council for Community and Economic Research, 2017